WYNNSTAY PROPERTIES PLC

2473

CHAIRMAN'S STATEMENT
DIRECTORS' REPORT
and
STATEMENT OF ACCOUNTS
25th MARCH, 1989

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30 AUG 1989

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and third ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at the Royal Air Force Club, 128 Piccadilly, London, W.1. on THURSDAY, the 20th July 1989, at 12.00 noon to transact the following business:

1. To adopt the Directors' Report and Statement of Accounts as at 25th March 1989.

2. To declare a Dividend.

3. To elect Directors.

4. To fix the remuneration of the Directors.

5. To re-appoint C.T. Moore & Co. as Auditors for the ensuing year and authorise the Directors to fix the Auditors remuneration.

6. To transact any other Ordinary business.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and on a poll to vote in his stead. The proxy need not be a Member of the Company. Proxies must be lodged at least forty-eight hours before the Meeting.

By Order of the Board,
W.R.Y. WHEELER, W R Y Wheeler.
Secretary.

9th June 1989

The transfer books will be closed from the 3rd July to the 20th July 1989, both inclusive.

Subject to the Proposed Dividend being confirmed, the warrants will be posted to Shareholders on the 24th July 1989.

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 1989

The Directors present their One Hundred and Third Annual Report, together with the Audited Statement of Accounts for the year ended 25th March 1989.

1. The principal activity of the Group during the year was as Property Owners, Developers and Managers.

   The Statement of Accounts now presented reflects the first benefits from the longer term policy pursued by the Group to carry out developments and refurbishments and to improve the quality of its Investment Property portfolio whenever suitable opportunities can be found. Your Board consider the results of the year most satisfactory but they do not reflect much of the benefit, still to come, from a year of considerable activity, as highlighted in the Chairman's Statement.

   The whole of the Issued Share Capital of The Backhouse Estate Ltd. was acquired during the year under review, partly for cash and involving the issue of £321,489 of 8¼% Convertible Unsecured Loan Stock at par and 297,778 Ordinary Shares of 25p each, fully paid, resulting in an excess over nominal value of £368,504 which has been credited to the Share Premium Account.

   The Development Company sold its first refurbished property resulting in a gross profit of £142,212. The future prospects for this activity are encouraging.

   The Board remain confident that the Group will continue to make good progress in the year ahead. The new V.A.T. regulations have been fully considered and it is anticipated, with the steps being taken by the Group, these will prove beneficial.

   The Directors have for many years met the wishes of the majority of Shareholders by recommending increased dividends fully compatible with the growth in profits and well above the rate of inflation. They have, however, been aware of the need to improve the dividend cover and they are therefore doubly pleased to recommend to you the Dividends for the year, as set out in 2. below, representing an increase over the previous year of 13.68% which is nevertheless covered 2 times, 1988 1.52, and enables some £210,000 to be retained for use by the Group.

2. **Financial results and Dividends**

	1989		1988	
	£	£	£	£
Excess of income over Expenditure for the year after Taxation		419,794		242,880
Extraordinary Items		227,167		—
Income Retained from previous year		546,859		463,609
Available		1,193,820		706,489
Appropriations recommended:				
Dividends per Share				
Interim Paid 1.7p, 1988 1.50p	66,045		43,046	
Final Proposed 3.7p, 1988 3.25p	143,744		116,584	
5.4p 4.75p	209,789		159,630	
Transfer to Capital Reserve	227,167		—	
		436,956		159,630
Income Retained:				
Company	629,932		489,561	
Subsidiaries	126,932		57,298	
		£756,864		£546,859

WYNNSTAY PROPERTIES PLC

GROUP REVENUE ACCOUNT

YEAR ENDED 25TH MARCH 1989

	Notes	1989 £	1989 £	1988 £	1988 £
Gross Rental Income			651,454		519,878
Property Sales			610,000		—
Fees and Commissions			11,407		8,504
			1,272,861		528,382
Property outgoings and operating charges	2		720,530		186,250
Operating Profit			552,331		342,132
Investment Income	4		201,785		92,885
			754,116		435,017
Finance Costs	5		122,817		98,199
Profit on Ordinary Activities Before Taxation			631,299		336,818
Taxation on Profit from Ordinary Activities	6		211,505		93,938
Profit After Taxation Attributable To Ordinary Shareholders			419,794		242,880
APPROPRIATIONS					
Dividends per share					
Interim Paid 1.7p (1988 1.50p)		66,045		43,046	
Final Proposed 3.7p (1988 3.25p)		143,744		116,584	
5.4p (1988 4.75p)			209,789		159,630
Profit Retained			210,005		83,250
Extraordinary Items	7	227,167		—	
Transfer to Capital Reserve		227,167		—	
		—		—	
Profit retained from previous year			546,859		463,609
Retained At End of Year					
Wynnstay Properties PLC		629,932		489,561	
Subsidiary Companies		126,932		57,298	
			£756,864		£546,859

WYNNSTAY PROPERTIES PLC

BALANCE SHEET AS AT 25TH MARCH 1989

	Notes	1989		1988	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		6,883,629		4,715,695
Investment in subsidiaries	9		2,210,124		1,312,611
			9,093,753		6,028,306
Current Assets					
Debtors	11	814,744		202,127	
Cash at Bank and in Hand		12,346		12,694	
		827,090		214,821	
Creditors: Amounts falling due within one year					
Bank Overdraft (Secured)		306,044		30,560	
Creditors	12	1,988,725		900,974	
		2,294,769		931,534	
			(1,467,679)		(716,713)
Total Assets Less Current Liabilities			7,626,074		5,311,593
Creditors: Amounts falling due after more than one year					
Loans	13		821,489		594,068
			6,804,585		4,717,525
Provision For Liabilities and Charges					
Deferred Taxation	14		625,742		152,407
Net Assets			£6,178,843		£4,565,118
FINANCED BY					
Share Capital	15		971,244		896,800
Reserves					
Share Premium Account	16	1,053,479		684,976	
General Reserve	17	940,053		940,053	
Investment Revaluation Reserve	18	2,584,135		1,553,728	
Income & Expenditure Account		629,932		489,561	
			5,207,599		3,668,318
			£6,178,843		£4,565,118

P.J.D. Langrish
M.L. Chetsmer
Directors

WYNNSTAY PROPERTIES PLC
NOTES ON THE ACCOUNTS YEAR ENDED 25th MARCH 1989

1. **ACCOUNTING POLICIES**

Events relating to the year ended the 25th March 1989 which occurred before the date of approval of the Accounts by the Board of Directors, being the date of the Report of the Directors, have been included in the Accounts to the extent that it is required by Statement of Standard Accounting Practice No. 17.

BASIS OF CONSOLIDATION

The Group Accounts include the audited Financial Statements of the Company and all Subsidiaries. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment properties.

DEPRECIATION

In accordance with Standard Accounting Practice No.19 Group Properties will be revalued annually and the aggregate surplus or deficit taken to an Investment Revaluation Reserve. No depreciation or amortisation is provided in respect of Freehold Properties and Leasehold Investment Properties with over 20 years to run. The short Leasehold Property is being amortised over the period of the Lease.

Depreciation of other Fixed Assets is on a straight line basis calculated at annual rates estimated to write off each asset over its useful life.

GAINS ON INVESTMENTS

The Gains on disposal of Investment Properties and other investments are not considered to be distributable. These are shown in the Profit and Loss Account as Extraordinary Items before transfer to Reserves.

TRADING PROPERTIES

These are included at the lower of cost or net realisable value. Cost includes an amount equivalent to interest at the average rate payable on borrowing facilities of £31,641, 1988 £1,385.

REPAIRS AND RENEWALS

Repairs and Renewals are charged to revenue in the year in which the expenditure is incurred.

DEFERRED TAXATION

This represents Taxation deferred calculated by the liability method at current rates of tax in respect of:

(a) The Capital Gain which would arise were the Property investments disposed of at the valuation shown.
(b) The potential balancing charges on Industrial Buildings Allowance where the Directors do not preclude a sale within the exemption time limit.
(c) Timing Differences.

8. TANGIBLE FIXED ASSETS	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery Cost	Total
Group				
Valuation, 25th March 1988 ...	6,749,000	10,000	15,193	6,774,193
Additions	736,702	—	12,584	749,286
Disposals	(5,733)	—	(7,713)	(13,446)
	£7,479,969	10,000	20,064	7,510,033
Depreciation, 25th March 1988 ...	—	—	6,998	6,998
Disposals	—	—	(3,271)	(3,271)
Charge for Year	—	1,932	2,708	4,640
£	—	1,932	6,435	8,367
25th March 1989				
Net Book Values	7,479,969	8,068	13,629	7,501,666
Surplus	2,012,531	1,932	—	2,014,463
Valuation	£9,492,500	10,000	13,629	9,516,129
25th March 1988				
Net Book Values	5,959,134	8,094	8,195	5,975,423
Surplus	789,866	1,906	—	791,772
Valuation	£6,749,000	10,000	8,195	6,767,195
Company				
Valuation, 25th March 1988	4,707,500	—	14,943	4,722,443
Additions	730,969	—	12,584	743,553
Disposals	—	—	(7,713)	(7,713)
	£5,438,469	—	19,814	5,458,283
Depreciation, 25th March 1988	—	—	6,748	6,748
Disposals	—	—	(3,271)	(3,271)
Charge for Year	—	—	2,708	2,708
£	—	—	6,185	6,185
25th March 1989				
Net Book Values	5,438,469	—	13,629	5,452,098
Surplus	1,431,531	—	—	1,431,531
Valuation	£6,870,000	—	13,629	6,883,629
25th March 1988				
Net Book Values	4,271,634	—	8,195	4,279,829
Surplus	435,866	—	—	435,866
Valuation	£4,707,500	—	8,195	4,715,695

	Group	
Amortisation, Leasehold Property	**1989**	**1988**
Charge as per Revenue Account	1,360	1,360
Increase in surrender value of Sinking Fund Assurance in excess of premiums paid	572	546
	£1,932	£1,906

The Leasehold Property is a short Lease expiring October 2001

Capital Commitments	£ —	£472,500

WYNNSTAY PROPERTIES PLC

DIRECTORS

P.J.D. LANGRISHE
(Chairman)

R.A. CATLING

M.L. CHEESMER
(Managing Director)

P.G.H. COLLINS

I.S. LOCKHART

M.L.J. MARSHALL

SECRETARY

W.R.Y. WHEELER

REGISTERED OFFICE

Adelaide House,
London Bridge, EC4R 9DQ

AUDITORS

C.T. MOORE & CO.
Adelaide House,
London Bridge, EC4R 9DQ

SOLICITORS

FIELD FISHER WATERHOUSE
4 St. Paul's Churchyard,
London, EC4M 8BA

BANKERS

C. HOARE & CO.
37 Fleet Street,
London, EC4P 4DQ

STOCKBROKERS

GREIG MIDDLETON & CO. LTD.
66 Wilson Street,
London, EC2A 2BL

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1. To adopt the Directors' Report and Statement of Accounts as at 25th March 1989.

2. To declare a Dividend.

3. To elect Directors.

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By Order of the Board,
W.R.Y. WHEELER, *Secretary.*

9th June 1989

The transfer books will be closed from the 3rd July to the 20th July 1989, both inclusive.

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WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT

This year, 1989, must be a red letter year in the progress of your Company. For the first time in our long history our gross income has exceeded the £1m mark and our gross assets are almost £10m. We have, as previously indicated, enlarged our development and refurbishment activities, the successful results of which are reflected in these Accounts.

Specifically, we have completed and sold a substantial refurbished property in Colchester; we have disposed of the remaining property assets of The Backhouse Estate Ltd. at satisfactory prices; we have acquired a site at Colchester to construct an office block where we already have a planning consent for 8,000 sq.ft. and hope, subject to planning, to increase this to approximately 12,000 sq.ft. which should be completed, let and sold during 1991. We are currently refurbishing a small shop with offices above in Chelmsford for sale. We have acquired an attractive refurbishment opportunity in central Cheltenham and obtained a planning consent to refurbish some 6,000 sq.ft. of offices; we are progressing the Blackburn Mill site and need only to complete certain local authority formalities, after which we can proceed to sell the site.

On the investment side, we continue to realise excellent rent reviews which have resulted in an increase in our rental income of 25.31% and specifically, at Sheffield, the ground floor has been let to the T.S.B. as a banking hall at our target rent and we are hopeful of letting the two upper floors of offices in the near future.

We are planning to sell certain of our older investment properties where we consider that we have realised maximum potential and will apply the proceeds in new purchases to upgrade the quality of our portfolio as opportunities arise.

As a result of recent legislation, the Group can register for V.A.T. with effect from 1st August this year. We decided to register the Wynnstay Developments Subsidiary for V.A.T. earlier (as we were able to do) on 8th May 1989, which will enable us to reclaim V.A.T. on development outlays. We will, however, keep one Company out of registration to manage Clients' properties so that we will not be bound to add V.A.T. to Clients' tenants rents or to our management charges.

In that connection, as we had sold all the Backhouse Company property, we changed its name to Wynnstay Management Services Ltd., which Company will handle all Clients' management. Your Board is particularly happy to note that those members of the Backhouse family who took our shares have remained faithful to us and we sincerely hope they will find their investment continues to be profitable.

There have been no changes to your Board this year and none are proposed. I would like to say how much we appreciate our Managing Director's energy and expertise which has contributed greatly to our present excellent financial position. He has worked particularly hard on our new development acquisitions as well as giving much time and effort to improvements on the Rippleside Commercial Estate. Sadly, Mr. Alan Gooding has sent in his retirement from the York Road Company due to advancing years and we thank him for his help and support. Thanks are due to our Manager, Mr. Domin, whose work load never seems to lessen and to Mrs. Clayton, whose industry and help are greatly appreciated.

As usual, our sincere thanks go to Mr. V.A. Scott Goddard of C.T. Moore & Co. and his staff who not only produce such excellent Accounts but also find the time throughout the year to advise and guide us in closest co-operation. With this assistance and the support of our Members, I foresee another year of profitable and interesting activity ahead.

If any Shareholder wishes to raise any questions on the Accounts for the year to 25th March 1989, the Board would be glad to receive them, in writing preferably, not later than 16th July.

P.J.D. LANGRISHE

Chairman

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 1989

The Directors present their One Hundred and Third Annual Report, together with the Audited Statement of Accounts for the year ended 25th March 1989.

1. The principal activity of the Group during the year was as Property Owners, Developers and Managers.

   The Statement of Accounts now presented reflects the first benefits from the longer term policy pursued by the Group to carry out developments and refurbishments and to improve the quality of its Investment Property portfolio whenever suitable opportunities can be found. Your Board consider the results of the year most satisfactory but they do not reflect much of the benefit, still to come, from a year of considerable activity, as highlighted in the Chairman's Statement.

   The whole of the Issued Share Capital of The Backhouse Estate Ltd. was acquired during the year under review, partly for cash and involving the issue of £321,489 of 8½% Convertible Unsecured Loan Stock at par and 297,778 Ordinary Shares of 25p each, fully paid, resulting in an excess over nominal value of £368,504 which has been credited to the Share Premium Account.

   The Development Company sold its first refurbished property resulting in a gross profit of £142,212. The future prospects for this activity are encouraging.

   The Board remain confident that the Group will continue to make good progress in the year ahead. The new V.A.T. regulations have been fully considered and it is anticipated, with the steps being taken by the Group, these will prove beneficial.

   The Directors have for many years met the wishes of the majority of Shareholders by recommending increased dividends fully compatible with the growth in profits and well above the rate of inflation. They have, however, been aware of the need to improve the dividend cover and they are therefore doubly pleased to recommend to you the Dividends for the year, as set out in 2. below, representing an increase over the previous year of 13.68% which is nevertheless covered 2 times, 1988 1.52, and enables some £210,000 to be retained for use by the Group.

2. **Financial results and Dividends**

	1989		1988	
	£	£	£	£
Excess of income over Expenditure for the year after Taxation		419,794		242,880
Extraordinary Items		227,167		—
Income Retained from previous year		546,859		463,609
Available		1,193,820		706,489
Appropriations recommended:				
Dividends per Share				
Interim Paid 1.7p, 1988 1.50p ...	66,045		43,046	
Final Proposed 3.7p, 1988 3.25p ...	143,744		116,584	
5.4p 4.75p	209,789		159,630	
Transfer to Capital Reserve	227,167		—	
		436,956		159,630
Income Retained:				
Company	629,932		489,561	
Subsidiaries	126,932		57,298	
		£756,864		£546,859

3. The Directors are of the opinion that the Company is not a "Close" Company within the terms of the Income and Corporation Taxes Act 1970.

4. The investment properties have been valued by Messrs. Chestertons on the basis of open market value at the 25th March 1989.

5. The Directors who have served during the year and their interests in the Company's shares are as follows:

		25/3/89	25/3/88
P.J.D. Langrishe	Chairman	64,955	65,255
D.G.F. Bird	Retired 21st July 1988	—	33,556
R.A. Catling	... ...	19,400	19,400
M.L. Cheesmer	Managing Director	10,000	6,875
P.G.H. Collins	Appointed 21st July 1988	49,578	—
I.S. Lockhart	... ...	10,000	10,000
	Non Beneficial Interest	61,760	61,760
M.L.J. Marshall	... ...	20,000	20,000

In accordance with the Articles of Association, Mr. R.A. Catling and Mr. I.S. Lockhart retire by rotation and being eligible offer themselves for re-election.

6. The Auditors, Messrs. C.T. Moore & Co. are willing to continue in Office as Auditors of the Company and a Resolution re-appointing them and authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board,
W.R.Y. WHEELER
Secretary

9th June 1989

WYNNSTAY PROPERTIES PLC

GROUP REVENUE ACCOUNT

YEAR ENDED 25TH MARCH 1989

	Notes	1989 £	1989 £	1988 £	1988 £
Gross Rental Income			651,454		519,878
Property Sales			610,000		—
Fees and Commissions			11,407		8,504
			1,272,861		528,382
Property outgoings and operating charges	2		720,530		186,250
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			754,116		435,017
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APPROPRIATIONS					
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Transfer to Capital Reserve		227,167		—	
			—		—
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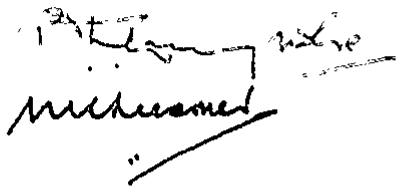
Retained At End of Year					
Wynnstay Properties PLC		629,932		489,561	
Subsidiary Companies		126,932		57,298	
			£756,864		£546,859

WYNNSTAY PROPERTIES PLC

GROUP BALANCE SHEET AS AT 25TH MARCH 1989

	Notes	1989 £	1989 £	1988 £	1988 £
Fixed Assets					
Tangible Assets	8		9,516,129		6,767,195
Investments	10		196,072		192,279
			9,712,201		6,959,474
Current Assets					
Trading Properties		445,762		286,557	
Debtors	11	30,150		20,788	
Cash at Bank and in Hand		623,111		23,774	
		1,099,023		331,119	
Creditors: Amounts falling due within one year					
Bank Overdraft (Secured)		306,167		30,560	
Creditors	12	616,007		418,759	
		922,174		449,319	
			176,849		(118,200)
Total Assets Less Current Liabilities			9,889,050		6,841,274
Creditors: Amounts falling due after more than one year	13		(895,242)		(668,236)
			8,993,808		6,173,038
Provisions For Liabilities and Charges					
Deferred Taxation	14	983,926		347,411	
Deferred Repairs		15,804		21,250	
			(999,730)		(368,661)
Net Assets			£7,994,078		£5,804,377
FINANCED BY					
Share Capital	15		971,244		896,800
Reserves					
Share Premium Account	16	1,053,479		684,976	
General Reserve	17	1,415,627		1,329,037	
Investment Revaluation Reserve	18	3,726,200		2,276,041	
Consolidation Reserve	19	70,664		70,664	
Income & Expenditure Account		756,864		546,859	
			7,022,834		4,907,577
			£7,994,078		£5,804,377

P.J.D. Langrishe
M.L. Cheesmer *Directors*



WYNNSTAY PROPERTIES PLC
BALANCE SHEET AS AT 25TH MARCH 1989

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		£	£	£	£
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Creditors	12	1,988,725		900,974	
		2,294,769		931,534	
			(1,467,679)		(716,713)
***Total Assets Less* Current Liabilities**			7,626,074		5,311,593
Creditors: Amounts falling due after more than one year					
Loans	13		821,489		594,068
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P.J.D. Langrishe
M.L. Cheesmer
Directors

WYNNSTAY PROPERTIES PLC

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1989		1988	
	£	£	£	£
SOURCE OF FUNDS				
Profit on Ordinary Activities before Taxation ...		631,299		336,818
Adjustment for items not involving the movement of funds				
Depreciation	2,708		1,766	
Amortisation - Leasehold Property	450		450	
		3,158		2,216
Total generated from operations		634,457		339,034
OTHER SOURCES				
Proceeds				
Share Issues	442,948		864,336	
Convertible Unsecured Loan Stock	—		500,000	
Sales of Fixed Assets				
Property	246,781		—	
Motor Car	4,442		—	
Investments	103,347		—	
		797,518		1,364,336
Funds Available		1,431,975		1,703,370
APPLICATION OF FUNDS				
Purchase of Fixed Assets				
i. Freehold Property	730,969		359,134	
ii. Motor Car & Office Equipment	12,584		2,656	
iii. Investments	97,290		—	
Mortgage Loan Repayment	415		259	
Taxation Paid	225,209		92,876	
Dividends Paid	182,629		121,965	
		(1,249,096)		(576,890)
INCREASE (DECREASE) IN WORKING CAPITAL		182,879		1,126,480
COMPONENTS OF INCREASE (DECREASE) IN WORKING CAPITAL				
Increase (Decrease) in				
Trading Properties	159,205		286,557	
Increase (Decrease) in Debtors	9,362		(7,097)	
(Increase) Decrease in Creditors	(309,418)		13,414	
	(140,851)		292,874	
MOVEMENT IN NET LIQUID FUNDS				
Increase (Decrease) in				
Cash at Bank	599,337		(357,833)	
(Increase) Decrease in				
Bank Overdraft	(275,607)		1,191,439	
		£182,879		£1,126,480

WYNNSTAY PROPERTIES PLC
NOTES ON THE ACCOUNTS YEAR ENDED 25th MARCH 1989

1. ACCOUNTING POLICIES

Events relating to the year ended the 25th March 1989 which occurred before the date of approval of the Accounts by the Board of Directors, being the date of the Report of the Directors, have been included in the Accounts to the extent that it is required by Statement of Standard Accounting Practice No. 17.

BASIS OF CONSOLIDATION

The Group Accounts include the audited Financial Statements of the Company and all Subsidiaries. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment properties.

DEPRECIATION

In accordance with Standard Accounting Practice No.19 Group Properties will be revalued annually and the aggregate surplus or deficit taken to an Investment Revaluation Reserve. No depreciation or amortisation is provided in respect of Freehold Properties and Leasehold Investment Properties with over 20 years to run. The short Leasehold Property is being amortised over the period of the Lease.

Depreciation of other Fixed Assets is on a straight line basis calculated at annual rates estimated to write off each asset over its useful life.

GAINS ON INVESTMENTS

The Gains on disposal of Investment Properties and other investments are not considered to be distributable. These are shown in the Profit and Loss Account as Extraordinary Items before transfer to Reserves.

TRADING PROPERTIES

These are included at the lower of cost or net realisable value. Cost includes an amount equivalent to interest at the average rate payable on borrowing facilities of £31,641, 1988 £1,385.

REPAIRS AND RENEWALS

Repairs and Renewals are charged to revenue in the year in which the expenditure is incurred.

DEFERRED TAXATION

This represents Taxation deferred calculated by the liability method at current rates of tax in respect of:

(a) The Capital Gain which would arise were the Property investments disposed of at the valuation shown.
(b) The potential balancing charges on Industrial Buildings Allowance where the Directors do not preclude a sale within the exemption time limit.
(c) Timing Differences.

2. PROPERTY OUTGOINGS AND OPERATING CHARGES

	1989	1988
Cost of Sales	467,788	—
Ground Rents on Leasehold Property	1,600	1,600
Amortisation, Leasehold Properties	1,360	1,360
Depreciation on Fixed Assets	2,708	1,766
Directors Emoluments-Fees	24,381	23,300
-Executive	51,500	36,625
-Pension	2,917	2,917
-Retirement Grant	3,000	3,000
Auditors Remuneration	20,590	15,180
Other Property, Management and Administration Expenses	144,686	100,502
	£720,530	£186,250

3. EMOLUMENTS OF THE DIRECTORS OF THE COMPANY

Chairman (including Pension)	£25,192	£23,167
Highest Paid Director	£38,850	£25,125
No. of other Directors receiving £0-£5,000	5	4

The total number of employees including Directors during 1989 was 9, 1988 9, engaged wholly in management and administration duties.

4. INVESTMENT INCOME

Quoted	25,300	21,213
Unquoted (including £158,525, 1988 £59,385, charged to development or refurbishment properties)	176,485	71,672
	£201,785	£92,885

5. COST OF FINANCE

Principal repayable within five years		
Debenture Stock	7,525	7,525
Convertible Unsecured Loan Stock	64,975	20,254
Mortgage Loan	9,725	9,516
Bank and Other	40,592	60,904
	£122,817	£98,199

6. TAXATION

Corporation Tax	161,868	84,852
Adjustment prior years	(28,983)	—
Dividends, Tax Credits	6,409	5,803
Deferred Taxation	72,211	3,283
	£211,505	£93,938

7. EXTRAORDINARY ITEMS

	Group 1989	1988
Profit on Sales after Tax		
Investment Property	192,338	—
Quoted Investments	34,829	—
	£227,167	£ —

NOTES ON THE ACCOUNTS - *(continued)*

8. TANGIBLE FIXED ASSETS	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery Cost	Total
Group				
Valuation, 25th March 1988 ...	6,749,000	10,000	15,193	6,774,193
Additions	736,702	—	12,584	749,286
Disposals	(5,733)	—	(7,713)	(13,446)
	£7,479,969	10,000	20,064	7,510,033
Depreciation, 25th March 1988 ...	—	—	6,998	6,998
Disposals	—	—	(3,271)	(3,271)
Charge for Year	—	1,932	2,708	4,640
	£ —	1,932	6,435	8,367
25th March 1989				
Net Book Values	7,479,969	8,068	13,629	7,501,666
Surplus	2,012,531	1,932	—	2,014,463
Valuation	£9,492,500	10,000	13,629	9,516,129
25th March 1988				
Net Book Values	5,959,134	8,094	8,195	5,975,423
Surplus	789,866	1,906	—	791,772
Valuation ...	£6,749,000	10,000	8,195	6,767,195
Company				
Valuation, 25th March 1988	4,707,500	—	14,943	4,722,443
Additions	730,969	—	12,584	743,553
Disposals	—	—	(7,713)	(7,713)
	£5,438,469	—	19,814	5,458,283
Depreciation, 25th March 1988	—	—	6,748	6,748
Disposals	—	—	(3,271)	(3,271)
Charge for Year	—	—	2,708	2,708
	£ —	—	6,185	6,185
25th March 1989				
Net Book Values	5,438,469	—	13,629	5,452,098
Surplus	1,431,531	—	—	1,431,531
Valuation	£6,870,000	—	13,629	6,883,629
25th March 1988				
Net Book Values	4,271,634	—	8,195	4,279,829
Surplus	435,866	—	—	435,866
Valuation	£4,707,500	—	8,195	4,715,695

	Group	
Amortisation, Leasehold Property	**1989**	**1988**
Charge as per Revenue Account	1,360	1,360
Increase in surrender value of Sinking Fund Assurance in excess of premiums paid	572	546
	£1,932	£1,906

The Leasehold Property is a short Lease expiring October 2001

Capital Commitments	£ —	£472,500

NOTES ON THE ACCOUNTS - *(continued)*

9. INVESTMENT IN SUBSIDIARIES	Company 1989	Company 1988
Shares at Cost, 25th March 1988	1,312,611	1,312,611
Additions, The Backhouse Estate Ltd.	897,513	—
	£2,210,124	£1,312,611

10. INVESTMENTS	Group 1989	Group 1988
Quoted		
Market Value £264,239, 1988 £224,517	162,210	159,899
Unquoted		
Sinking Fund Assurance	33,862	32,380
	£196,072	£192,279

(The Sinking Fund Assurance has been maintained at the surrender value at the Balance Sheet date)

11. DEBTORS	Group 1989	Group 1988	Company 1989	Company 1988
Group Balance	—	—	785,800	182,901
Other Debtors	259	47	—	—
Prepayments	29,891	20,741	28,944	19,226
	£30,150	20,788	814,744	202,127

12. CREDITORS Amounts falling due within one year				
8% Debenture Stock 1969/89	94,068	—	94,068	—
Group Balance	—	—	1,606,979	561,588
Other Creditors	3,406	14,158	2,527	13,789
Current Corporation Tax	181,777	84,829	11,736	34,105
Other Taxes and Social Security Costs	17,975	85,257	16,352	82,879
Proposed Dividend	143,744	116,584	143,744	116,584
Accruals	175,037	117,931	113,319	92,029
	£616,007	418,759	1,988,725	900,974

13. CREDITORS Amounts falling due after more than one year				
Secured on Freehold Land and Buildings				
8% Debenture Stock 1969/89 Repayable at option of Company	—	94,068	—	94,068
Mortgage Loans				
Repayable by equal instalments				
By 1997 Interest at variable rates	16,543	16,591	—	—
By 2005 Interest at variable rates	57,210	57,577	—	—
8¼% Convertible Unsecured Loan Stock 1992/97, convertible into fully paid ordinary shares of the Company at £1.75p per share	821,489	500,000	821,489	500,000
	£895,242	668,236	821,489	594,068

14. DEFERRED TAXATION				
Investment Revaluation Reserve Note 18	852,387	288,083	494,203	93,079
I.B.A. utilised	61,915	59,328	61,915	59,328
Timing Differences	69,624	—	69,624	—
	£983,926	347,411	625,742	152,407

NOTES ON THE ACCOUNTS - *(continued)*

15. SHARE CAPITAL	Group 1989	Group 1988	Company 1989	Company 1988
Authorised				
Ordinary Shares of 25p each	£2,000,000	2,000,000	2,000,000	2,000,000
Allotted, Issued and Fully Paid				
Ordinary Shares of 25p each	£971,244	896,800	971,244	896,800

297,778 25p Ordinary Shares, fully paid, were issued as part consideration for The Backhouse Estate Ltd. acquisition.

16. SHARE PREMIUM ACCOUNT	1989	1988	1989	1988
Balance 25th March 1988	684,976	—	684,976	—
Rights Issue	—	684,976	—	684,976
Backhouse acquisition, Refer Note 15 ...	368,503	—	368,503	—
	£1,053,479	684,976	1,053,479	684,976

17. GENERAL RESERVE				
Balance 25th March 1988	1,329,037	1,329,037	940,053	940,053
Extraordinary Items, Note 7	227,167	—	—	—
Transfer to pre-acquisition Reserve	(140,577)	—	—	—
Balance 25th March 1989	£1,415,627	1,329,037	940,053	940,053

18. INVESTMENT REVALUATION RESERVE				
Balance 25th March 1988	2,276,041	1,317,229	1,553,728	1,042,351
Surplus, Note 8	2,014,463	791,772	1,431,531	435,866
Transfer, Deferred Taxation, Note 14	(564,304)	167,040	(401,124)	75,511
Balance 25th March 1989	£3,726,200	2,276,041	2,584,135	1,553,728

19. CONSOLIDATION RESERVE	£70,664	70,664

20. SUBSIDIARY COMPANIES	Class of Shares	Percentage Held
Wynnstay Developments Ltd.	Ordinary	100%
William Wheeler (Properties) Ltd. (Shares held by Wynnstay Developments Ltd)	Ordinary	100%
York Road (Bognor) Property Co. Ltd.	Ordinary	100%
Ripple Properties Ltd.	Ordinary	100%
The Backhouse Estate Ltd.	Ordinary	100%
	Preference	100%

REPORT OF THE AUDITORS TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC

We have audited the Financial Statements set out on Pages 7 to 15 in accordance with approved auditing standards.

In our opinion the Financial Statements, which have been prepared under the historical cost convention which permits the inclusion of certain assets at a revaluation, give a true and fair view of the state of affairs of the Company and the Group at 25th March 1989 and of the Profit and Source and Application of Funds of the Group for the year ended on that date, and comply with the provisions of the Companies Act 1985.

Adelaide House,
London Bridge, EC4R 9DQ
9th June 1989

Chartered Accountants

WYNNSTAY PROPERTIES PLC
FIVE YEAR SUMMARY

YEARS ENDED 25th MARCH	1989	1988	1987	1986	1985
Property Income	1,272,861	528,382	354,644	381,960	360,302
Investment Income	201,785	92,885	54,776	22,238	25,249
Profit on Ordinary Activities Before Taxation	631,299	336,818	201,918	218,936	197,275
Taxation	(211,505)	(93,938)	(34,698)	(70,605)	(73,793)
Profit on Ordinary Activities After Taxation	419,794	242,880	167,220	148,331	123,482
Dividends Paid, Net	209,789	159,630	114,791	143,488	88,963
Per Share Earnings, Note 2	10.8p	6.77p	5.83p	5.17p	4.30p
Dividends Paid	5.4p	4.75p	4.00p	5.00p	3.10p
Net Asset Value, Note 3 Balance Sheet Values	206p	162p	137p	103p	93p
Market Values	232p	173p	155p	119p	109p

NOTES

1 The 1986 and earlier years figures have been adjusted where relevant for the 1 for 1 Share Bonus in 1987.

2. Calculated by dividing Profit on Ordinary Activities after Taxation by the number of shares in issue at the financial year end.

3. Balance Sheet values are based on the published Accounts Net Asset Value which provides for Deferred Taxation on the property revaluation surplus divided by the number of Shares in issue at the year end. The Market Value basis adjusts the Balance Sheet values to the valuations shown in the Accounts before providing for any Taxation which may arise on disposal at such valuation.

WYNNSTAY GROUP OF COMPANIES

WYNNSTAY PROPERTIES PLC

WHOLLY OWNED SUBSIDIARIES

WYNNSTAY DEVELOPMENTS LIMITED

WILLIAM WHEELER (PROPERTIES) LIMITED

YORK ROAD (BOGNOR) PROPERTY COMPANY LIMITED

RIPPLE PROPERTIES LIMITED

WYNNSTAY MANAGEMENT SERVICES LIMITED
formerly The Backhouse Estate Limited